

Message Text

CONFIDENTIAL

PAGE 01 EC BRU 07417 01 OF 02 201944Z

46

ACTION EUR-25

INFO OCT-01 ISO-00 IO-14 AID-20 CEA-02 CIAE-00 COME-00

EB-11 EA-11 FRB-02 INR-10 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

SCEM-02 INT-08 SAJ-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-04 PRS-01 SS-20 USIA-15 STR-08 AF-10 DRC-01 /225 W

----- 060718

R 201845Z DEC 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6188

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN POUCH

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 7417

EO 11652 GDS

TAGS: ENRG, PFOR, EEC

SUB: SECRETARY'S PROPOSAL FOR AN ENERGY

ACTION GROUP; SIMONET'S VIEWS

REF: A) CAIRO 3997 (NOTAL)

B) EC BRUSSELS 7243 (NOTAL)

1. SUMMARY: EC COMMISSION VICE PRESIDENT SIMONET
EXPRESSED HIS SUPPORT FOR THE SECRETARY'S PROPOSAL
FOR THE ESTABLISHMENT OF AN ENERGY ACTION GROUP AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 07417 01 OF 02 201944Z

HIS AWARENESS THAT EUROPE MUST RESPOND TO THIS

PROPOSAL. HE SAID THAT WORK IS GOING FORWARD IN THE COMMISSION ON ENERGY MATTERS IN SPITE OF THE FAILURE OF THE DECMEBER 17-18 COUNCIL TO TAKE ANY DECISION. SIMONET SHARES OUR CONCERN ABOUT THE EC SEEKING BILATERAL AGREEMENTS WITH PRODUCER GOVERNMENTS AND FEELS THAT APPROACHES TO THE RPRODUCERS SHOULD AT LEAST BE COORDINATED WITH THE UNITED STATES AND JAPAN. END SUMMARY.

2. AT A LUNCHEON DISCUSSION WITH THE AMBASSADOR ON DECEMBER 20, VICE PRESIDENT HERI SIMONET, WHO IS RESPONSIBLE IN THE EC COMMISSION FOR ENERGY MATTERS, SAID THAT THE SECRETARY'S PROPOSAL FOR AN ENERGY ACTION GROUP WAS CONSISTENT WITH THE PROPOSALS FOR INTERNATIONAL COOPERATION WHICH THE COMMISSION HAD MADE TO THE COUNCIL IN MAY AND AGAIN IN JULY 1973. HE SAID HE PERSONALLY SUPPORTED THE PROPOSAL AND INTENDED TO PUSH IN THE COMMISSION FOR A POSITIVE RESPONSE TO IT. HE WAS AFRAID THAT THE PROPOSAL NOW COMING FROM THE UNITED STATES WOULD MAKE IT DIFFICULT FOR SOME MEMBER STATES TO ACCEPT.

3. SIMONET SAID THE DECEMBER 18 COUNCIL REFUSAL TO TAKE UP ENERGY MATTERS BECAUSE OF BRITAIN "STOPPING THE CLOCK" AFTER FAILING TO OBTAIN AGREEMENT ON THE REGIONAL FUND WAS UNFORTUNATE, BUT HE INTENDED TO PRESS ON WITH PREPARATION OF ENERGY PROPOSALS BY THE COMMISSION. THESE PROPOSALS INCLUDE THE ESTABLISHMENT OF THE ENERGY COMMITTEE CALLED FOR IN THE ENERGY ANNEX TO THE COPENHAGEN STATEMENT. (SIMONET AGREED THAT SUCH A COMMITTEE ALREADY EXISTS DE FACTO IN THE INFORMAL GROUP OF ENERGY OFFICIALS FROM MEMBER STATES WHO MEET MONTHLY WITH COMMISSION DIRECTOR GENERAL SPAAK.) THE COMMISSION IS ALSO PREPARING A REGULATION TO REQUIRE SUBMISSION BY THE MEMBER STATES OF THE INFORMATION REQUIRED TO PREPARE THE ENERGY BALANCE SHEETS, ALSO CALLED FOR IN THE COPENHAGEN STATEMENT. TO THE EXTENT THAT THE MEMBER STATES, AS IS THE CASE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 07417 01 OF 02 201944Z

WITH BRITAIN, PROVIDE THIS INFORMATION ON A VOLUNTARY BASIS, THE COMMISSION WILL PROCEED WITH THE PREPARATION OF THE BALANCE SHEETS FOR CONSIDERATION BY THE COUNCIL NEXT MONTH.

4. IN ADDITION TO THESE MEASURES CALLED FOR BY THE COPENHAGEN SUMMIT, THE COMMISSION IS ALSO WORKING ON OTHER ASPECTS OF THE ENERGY PROGRAM.

FIRST, IT'S PREPARING A PROPOSAL FOR THE COUNCIL'S CONSIDERATION WHICH WILL ALLOCATE PETROLEUM PRODUCTS AMONG THE EC MEMBER STATES. FOR THIS PURPOSE THE COMMISSION IS USING AS A STARTING POINT THE GENERAL PRINCIPLES ON SHARING OF OIL SUPPLIES IN EUROPE WHICH WERE DRAWN UP IN THE FRAMEWORK OF OECD SOME YEARS AGO. IN ADDITION, SIMONET SAID, THE COMMISSION IS STILL HOPING TO PRESENT TO THE COUNCIL NEXT MONTH A PROPOSAL FOR THE INTERNAL ORGANIZATION OF THE OIL MARKET, INCLUDING RULES FOR IMPORTS AND EXPORTS, DISTRIBUTION, AND PRICE LEVELS.

5. ANOTHER POTENTIALLY DIFFICULT AREA IN WHICH SIMONET WANTS TO PREPARE SOME PROPOSALS IS THAT OF COOPERATION AGREEMENTS WITH PRODUCER GOVERNMENTS. HE BELIEVES THAT RELATIONS WITH PRODUCING COUNTRIES SHOULD BE THE SUBJECT OF CONSULTATION AMONG CONSUMING COUNTRIES. HE RECOGNIZED THE SENSITIVITY OF EUROPE MAKING SPECIAL ARRANGEMENTS ON THEIR OWN WITH THE ARABS. IN ADDITION TO THE RISKS OF FRICTION BETWEEN THE US, EC AND JAPAN ON THIS POINT, HE FORESAW DIFFICULTIES AMONG THE EC MEMBER STATES.

6. SIMONET CONSIDERED AN IMPORTANT PART OF THE SECRETARY'S PROPOSAL FOR AN ENERGY ACTION GROUP, TO WHICH THE EC SHOULD GIVE POSITIVE RESPONSE, IS THE NEED FOR A COORDINATED APPROACH AMONG THE CONSUMER COUNTRIES TO THE PRODUCERS. THIS COORDINATED APPROACH WOULD BE DIFFICULT FOR SOME MEMBER STATES TO ACCEPT. HE AGREED THAT IT MIGHT BE MORE PALATABLE TO THE OTHER COMMISSIONERS AND

CONFIDENTIAL

PAGE 04 EC BRU 07417 01 OF 02 201944Z

TO THE MEMBER STATES IF SIMONET REMINDED THEM THAT THE PROPOSED ENERGY ACTION GROUP IS VERY SIMILAR TO EARLIER COMMISSION PROPOSALS FOR INTERNATIONAL COOPERATION WHICH, IN GENERAL, HAD THE SUPPORT OF MEMBER STATE GOVERNMENTS. HE ALSO ACCEPTED THE POINT THAT THE SECRETAR'S PROPOSAL WAS NOT A COMPLETE BLUEPRINT BUT A BASIS FOR DISCUSSION. SIMONET BEGAN TO SPECULATE ABOUT THE EUROPEANS WHO MIGHT SERVE ON THE EAG, MENTIONING ROBERT MARJOLIN (FRANCE) AND JAN TINBERGEN (NETHERLANDS).

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 EC BRU 07417 02 OF 02 201952Z

46

ACTION EUR-25

INFO OCT-01 ISO-00 IO-14 AID-20 CEA-02 CIAE-00 COME-00

EB-11 EA-11 FRB-02 INR-10 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

SCEM-02 INT-08 SAJ-01 STR-08 AF-10 DODE-00 PM-07 H-03

L-03 NSC-10 PA-04 PRS-01 SS-20 USIA-15 DRC-01 /225 W

----- 060787

R 201845Z DEC 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6189

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN POUCH

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO

USMISSION PARIS

C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 7417

7. SIMONET EMPHASIZED THAT, IN HIS OPINION, IT IS VITAL FOR EUROPE TO ANSWER THE SECRETARY AS SOON AS POSSIBLE, INSTEAD OF WAITING SEVEN MONTHS AS WAS THE CASE WITH THE RESPONSE TO THE APRIL 23 SPEECH. THE AMBASSADOR POINTED OUT THAT INSTRUCTIONS HAD BEEN SENT TO EMBASSIES IN CAPITALS TO FORMALLY PRESENT THE SECRETARY'S PROPOSAL FOR AN EAG AND TO SSEK GOVERNMENT REACTIONS. SIMONET ASKED IF WE WERE NOW MAKING THE SAME REPRESENTATION TO HIM, AND THE AMBASSADOR REPLIED IN THE AFFIRMATIVE, ADDING THAT WE WERE ALSO INFORMING ORTOLI AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 07417 02 OF 02 201952Z

SOAMES. SIMONET SAID THIS WOULD BE VERY HELPFUL TO HIM BECAUSE, REFERRING TO THE AMBASSADOR'S DEMARCHE, HE (SIMONET) WOULD BE IN A POSITION TO RAISE THE QUESTION FORMALLY WITH THE COMMISSION. SIMONET SAID HE WOULD HOPE TO HAVE THE SUBJECT DISCUSSED BY THE COMMISSION ON JANUARY 9 OF 16 AND WOULD KEEP US INFORMED OF FUTURE DEVELOPMENTS. SIMONET MENTIONED THAT SOME MEMBERS OF THE COMMISSION MIGHT NOT SHARE HIS POSITIVE VIEW OF THE SECRETARY'S IDEAS. IN PARTICULAR, COMMISSION PRESIDENT ORTOLI IS INCLINED TO BE SOMEWHAT CONSERVATIVE (AND IS, OF COURSE, FRENCH) ALTHOUGH, IN SIMONET'S VIEW, HE HAS IN THE COURSE OF 1973 BECOME A DEDICATED EUROPEAN.

8. SIMONET INFORMED US THAT HIS SUPPORT FOR THE PRINCIPLE OF COOPERATION WITH THE US AND JAPAN HAD COME OUT PUBLICLY AT A PRESS CONFERENCE JUST BEFORE LUNCH IN RESPONSE TO A QUESTION ABOUT THE SECRETARY'S ENERGY INITIATIVE.

9. AT THE END OF THE LUNCHEON, SIMONET MENTIONED HE PLANS TO BE IN THE UNITED STATES IN EARLY MARCH TO DELIVER SOME LECTURES AT COLUMBIA AND YALE AND WOULD BE PLEASED TO COME TO WASHINGTON AT THAT TIME FOR DISCUSSIONS AND CONSULTATIONS.
GREENWALD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU07417
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731214/aaaaajwc.tel
Line Count: 251
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) CAIRO 3997 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 31 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Aug-2001 by rowellE0>; APPROVED <15-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECRETARY'S PROPOSAL FOR AN ENERGY ACTION GROUP; SIMONET'S VIEWS
TAGS: ENRG, PFOR, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005